

## DURUM WHEAT

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JULY 15, 1959.—Ordered to be printed

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Mr. YOUNG of North Dakota, from the Committee on Agriculture and Forestry, submitted the following

## REPORT

[To accompany S. 1282]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1282), relating to acreage allotments for Durum wheat, having considered the same, report thereon with a recommendation that it do pass with an amendment.

With the committee amendment, the bill would require the Secretary of Agriculture to increase farm wheat acreage allotments in certain counties in North Dakota, Minnesota, Montana, South Dakota, and California to the extent, if any, necessary to meet the demand for Durum wheat. The counties would be those capable of producing Durum and having a Durum production history. The increase in allotment would be limited to farms producing only Durum, would be additional to the National, State, and county allotments, would not be applicable to permit any increased removal from storage of wheat stored from a previous crop to avoid penalty, and would not count as history toward future farm, county, or State allotments.

Durum wheat is the preferred cereal for the manufacture of macaroni, spaghetti, and similar products. It will grow properly in only a few areas in the United States. These areas are located in Minnesota, North Dakota, South Dakota, Montana, and California.

About 6 years ago a new rust disease attacked Durum wheat and so seriously reduced production that emergency measures were necessary to provide an adequate supply. To accomplish this, special exceptions were made in the wheat quota laws for the crops of 1954, 1955, 1956, and 1957 to permit farmers in the Durum wheat areas to plant acreage of Durum in excess of their regular allotments. By 1958 it appeared that emergency legislation was no longer necessary and only minor provision was made for the production of additional Durum wheat in the Tulalake area of California for 1958 and 1959. It now appears possible that there may be future shortages of this type of wheat and the Secretary of Agriculture should have such authority as may be

necessary to guard against such shortages and consequent loss of markets.

The primary objection of the Department of Agriculture to the bill is that the supply of Durum wheat for the 1959-60 marketing year is expected to be adequate to meet all domestic and export requirements and provide a comfortable carryover. This would hardly seem to be a sound objection since the bill is effective only when the Secretary finds that allotments of farms producing Durum are inadequate to provide for the production of a sufficient quantity of Durum wheat to satisfy the demand. Furthermore, the bill is applicable to any future year in which its application becomes necessary, and it is now too late to make it applicable to the 1959 crop.

The Department further objects to the fact that no provision is made for limiting the shift of acreage from Hard Red Spring wheat to Durum wheat, and that if the incentive to increase Durum seedings is made sufficiently attractive it would be possible for Durum production to exceed demand. The bill requires the Secretary to increase allotments "by such uniform percentage as he deems necessary to provide for" the needed quantity. If the Secretary fulfills the direction of the law, therefore, production should not be excessive and there should not be excessive shifts from Hard Red Spring to Durum. Of course the law requires him to make estimates, and those estimates may not be correct, but the entire law is based on estimates which may be equally subject to error. Any limitation on acreage shifts provided by the bill would not increase the infallibility of the estimates which must be made.

The Department's report appears to be based upon the misconception that "the bill provides for the production of sufficient quantity of Durum wheat each year to satisfy demand without regard to carryover stocks". The bill does not so provide and the Secretary would be expected to take carryover into account.

The committee amendment strikes out the provision for an advisory committee, which is not considered necessary, and clarifies the bill by relating each action under the bill to a specific crop.

#### DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., April 2, 1959.*

HON. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,*  
*U.S. Senate.*

DEAR SENATOR ELLENDER: This is in reply to your request of March 7, 1959 for a report on S. 1282, a bill relating to acreage allotments for Durum wheat.

This Department does not recommend the enactment of S. 1282.

This bill would amend section 334(e) of the Agricultural Adjustment Act of 1938, as amended, to provide for the establishment of a nine-member advisory committee to be appointed by the Secretary which would be composed of five members representing the growers of Durum wheat, two members representing the millers of such wheat, and two members representing the manufacturers of macaroni or similar products processed in whole or substantial part from Durum wheat. This committee would make studies of the production and

demand for Durum wheat and the products processed therefrom, determine the extent to which acreage allotments of farms producing Durum wheat should be increased to supply any deficiency found to exist between demand and production, and recommend such increases to the Secretary. The members of the committee would be paid compensation at the rate of \$50 per day when engaged in the work of the committee, including travel time, and would be allowed travel expenses and per diem in lieu of subsistence. The committee would be required to meet at least once each year and at such other times as may be designated by the Secretary or by a majority of the members.

The Secretary would be required to consider each year the recommendation of the Advisory Committee and, if he finds that the wheat acreage allotments of farms producing Durum wheat are inadequate to provide sufficient production of such wheat to satisfy the demand, the wheat acreage allotments for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California designated by the Secretary as counties capable of producing Durum wheat and which have produced such wheat for commercial food products during one or more of the preceding 5 years, would be increased by such uniform percentage as he deems necessary to provide such production. No increase would be made in the wheat acreage allotment for any farm for any year if any wheat other than Durum wheat is planted on such farm for such year.

The increases in wheat acreage allotments which this bill would authorize would be in addition to the National, State, and county allotments, but such increases would not be considered in establishing future State, county, and farm allotments. Provision is made in the bill whereby any reduction made in the wheat acreage on a farm for the purpose of reducing stored excess wheat such reduction would apply to the original allotment established for the farm and not to the increased allotment. As used in the bill the term "Durum wheat" would mean Durum wheat (class II) other than the varieties known as Golden Ball and Peliss.

Our primary objection to the enactment of this bill stems from the fact that the supply of Durum wheat for the 1959-60 marketing year is expected to be adequate to meet all domestic and export requirements and provide a comfortable carryover at the beginning of the 1960-61 marketing year. On the basis of the prospective plantings of Durum wheat in 1959 and the carryover on July 1, 1959, which is currently estimated at 21 million bushels, the total supply for the 1959-60 marketing year is expected to be about  $1\frac{1}{2}$  times larger than the anticipated utilization. Thus, the carryover of Durum wheat on July 1, 1960 will most likely exceed 10 million bushels which is substantial when considered in relation to the expected disappearance in 1960-61 of around 30 million bushels.

The bill makes no provision for limiting the extent of shift in acreage from Hard Red Spring wheat to Durum wheat whenever allotments are increased to obtain additional production of Durum wheat. With the incentive to increase the seedings of Durum wheat made sufficiently attractive to obtain a shift in acreage, it would be possible for the production of Durum wheat in that particular year to greatly exceed the demand therefor. Under these circumstances, the excess production would be delivered to the Commodity Credit Corporation.

The only opportunity the Corporation would have to dispose of its stocks of Durum wheat would be in years of a short crop, since the bill provides for the production of sufficient quantity of Durum wheat each year to satisfy demand without regard to carryover stocks. Thus, the Corporation would be placed in the position of having to serve as a depository for all excess Durum wheat production with very limited opportunity to dispose of its stocks. This would, no doubt, result in a continuous buildup of stocks which in turn would tend to depress prices received by farmers for Durum wheat.

Since the supply of Hard Red Spring wheat, which is produced in the same area that Durum wheat is produced is in burdensome surplus and to a large extent is substitutable for Durum wheat in the making of macaroni products, we are opposed to the enactment of any permanent type legislation which would increase farm wheat acreage allotments over and above the National, State, and county allotments to obtain additional production of Durum wheat as provided in this bill. We believe that with sufficient price incentive the desired production of Durum wheat can be obtained without any increase in farm wheat acreage allotments.

With the Department already having administrative authority to appoint and use advisory committees, we can see no need for legislation making it mandatory for the Secretary to appoint such a committee to study the supply and demand situation on Durum wheat; particularly, in view of the fact that the services of such a committee can be obtained without per diem compensation.

It is believed that the enactment of this bill would result in the need for additional funds in carrying out the price support operations on Durum wheat, but due to the variation in year-to-year production and demand it is not possible to estimate the amount needed for any one fiscal year.

We are advised by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

TRUE D. MORSE, *Acting Secretary.*

#### CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### AGRICULTURAL ADJUSTMENT ACT OF 1938

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#### SEC. 334 \* \* \*

(e) [Notwithstanding any other provision of this Act, the Secretary shall increase the farm marketing quotas and acreage allotments for the 1957 crop of wheat for farms located in counties in the States of North Dakota, Minnesota, Montana, South Dakota, and California, designated by the Secretary as counties which (1) are capable of producing durum wheat (class II) and (2) have produced such wheat for commercial food products during one or more of the five years



1952 through 1956. The increase in the wheat acreage allotment for any farm shall be conditioned upon the production of durum wheat (class II) on such increased acreage. The increased allotment shall be determined by adding to the allotment established without regard to this subsection (hereinafter referred to as the "original allotment") an acreage equal to the acreage by which the original allotment exceeds the 1957 acreage on the farm of classes of wheat other than durum wheat (class II) (hereinafter referred to as "other wheat"), but such increased allotment shall not exceed the smaller of the cropland on the farm well suited to wheat or the wheat acreage on the farm: *Provided*, That for the purposes of this subsection (1) the original allotment for each farm shall be not less than fifteen acres, and (2) varieties of class II (durum wheat) known as "Golden Ball" and "Peliss" shall be regarded as "other wheat". Notwithstanding any other provision of this subsection, (1) no acreage allotment shall be increased under this subsection by more than sixty acres, and (2) no acreage allotment shall be increased under this subsection for any farm on which the producer knowingly devotes to the production of other wheat an acreage in excess of the acreage allotment established without regard to this subsection (and particularly without regard to clause (1) of the foregoing proviso).

¶ The increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and the acreage of durum wheat (class II) on such increased allotments shall not be considered in establishing future State, county and farm acreage allotments.

¶ The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326 (b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection.

¶ For the purpose of applying section 103(a)(1) of the Soil Bank Act (relating to participation in the acreage reserve) to any farm receiving an increased allotment under this subsection—

¶ (1) the "farm acreage allotment" shall be the allotment established without regard to this subsection and not the increased allotment under this subsection, and

¶ (2) each acre planted to durum wheat (class II) shall count as one-half acre of wheat.

For the purposes of this subsection "wheat acreage on the farm" shall include acreage in the wheat acreage reserve. ¶ *If, with respect to any crop of wheat, the Secretary finds that the acreage allotments of farms producing durum wheat are inadequate to provide for the production of a sufficient quantity of durum wheat to satisfy the demand therefor, the wheat acreage allotment for such crop for each farm located in a county in the States of North Dakota, Minnesota, Montana, South Dakota, and California designated by the Secretary as a county which (1) is capable of producing durum wheat, and (2) has produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm for any crop if any wheat other than durum wheat is planted on such farm for such crop. Any increases in wheat*

acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection. As used in this subsection the term "durum wheat" means durum wheat (class II) other than the varieties known as "Golden Ball" and "Peliss."

